

Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2002
(Amounts in thousands)

	Unemployment Compensation Trust Fund	University of Massachusetts	State Colleges	Community Colleges	Total
Cash flows from operating activities:					
Collection of unemployment taxes.....	\$ 850,319	\$ -	\$ -	\$ -	\$ 850,319
Tuition, residence, dining and other student fees.....	-	235,079	104,033	95,807	434,919
Research grants and contracts.....	-	346,489	36,542	109,194	492,225
Payments to suppliers.....	-	(380,015)	(109,536)	(127,541)	(617,092)
Payments to employees.....	-	(912,751)	(254,933)	(295,170)	(1,462,854)
Payments to students.....	-	(28,497)	(11,441)	(26,786)	(66,725)
Payments for unemployment benefits.....	(2,183,100)	-	-	-	(2,183,100)
Collection of loans to students and employees.....	-	5,656	2,601	204	8,461
Income from contract services.....	-	-	133	1,911	2,044
Auxilliary enterprise charges.....	-	299,363	22,352	742	322,457
Other receipts.....	73,338	-	23,243	21,260	117,841
Net cash provided by (used by) operating activities.....	(1,259,443)	(434,676)	(187,006)	(220,379)	(2,101,504)
Cash flows from operating activities:					
State appropriations.....	-	470,204	200,868	236,760	907,832
Grants and contracts.....	378,316	51,710	1,948	21	431,994
Student organizations agency transactions.....	-	(297)	1,356	(228)	830
Net cash provided by (used by) non-capital financing activities.....	378,316	521,617	204,171	236,553	1,340,657
Cash flows from capital and related financing activities:					
Capital appropriations.....	-	63,633	4,555	5,851	74,039
Purchases of capital assets.....	-	(180,357)	(17,895)	(11,666)	(209,918)
Proceeds from the sale of capital assets.....	-	-	-	1,427	1,427
Proceeds from debt issuance.....	-	119,810	-	-	119,810
Other capital asset activity.....	-	8,317	534	1,317	10,168
Net purchases / sales of investments held by bond trustee.....	-	(38,168)	-	-	(38,168)
Principal paid on capital debt and leases.....	-	(27,404)	(3,974)	(3,912)	(35,291)
Interest paid on capital debt and leases.....	-	(26,173)	(1,521)	(2,745)	(30,438)
Net cash provided by (used by) capital financing activities.....	-	(80,342)	(18,302)	(9,727)	(108,370)
Cash flows from investing activities:					
Proceeds from sales and maturities of investments.....	743,611	500,698	4,314	23,550	1,272,172
Purchases of investments.....	-	(532,845)	(4,909)	(24,769)	(562,523)
Investment earnings.....	112,333	22,268	2,733	1,304	138,638
Other.....	25,183	-	-	-	25,183
Net cash provided by (used by) investing activities.....	881,127	(9,879)	2,137	84	873,470
Net increase (decrease) in cash and cash equivalents	-	(3,280)	1,001	6,531	4,252
Cash and cash equivalents beginning.....	-	414,471	81,041	64,947	560,460
Cash and cash equivalents ending.....	\$ -	\$ 411,191	\$ 82,042	\$ 71,478	\$ 564,712
Reconciliation of cash and cash equivalents to cash and cash equivalents with statement of net assets:					
Cash and cash equivalents, current unrestricted.....	\$ -	\$ 40,970	\$ 68,197	\$ 65,341	\$ 174,509
Cash and cash equivalents, non-current restricted.....	-	370,221	13,845	6,137	390,203
Total cash and cash equivalents, restricted and unrestricted	\$ -	\$ 411,191	\$ 82,042	\$ 71,478	\$ 564,712
Reconciliation of net operating revenues (expenses) to net Cash provided (used) by operating activities					
Operating income (loss).....	\$ (816,950)	\$ (506,590)	\$ (234,448)	\$ (280,229)	\$ (1,838,217)
Adjustments to reconcile operating net income (loss) to net cash provided (used) by operating activities:					
Depreciation expense.....	-	82,154	16,781	19,776	118,711
Fringe benefits paid by the commonwealth.....	-	-	25,806	43,926	69,732
Changes in assets and liabilities:					
Accounts receivable, net.....	-	14,066	(548)	1,431	14,949
Prepays, inventories and other assets.....	890,288	1,651	496	(116)	892,319
Loans receivable and restricted cash.....	-	-	134	(84)	51
Accounts payable and accrued liabilities.....	-	5,816	(2,755)	(2,464)	598
Accrued employee compensation and benefits.....	(1,332,781)	27,011	3,060	(104)	(1,302,814)
Student deposits and other unearned revenues.....	-	11,482	1,035	735	13,253
Deferred revenue.....	-	963	2,930	(537)	3,356
Funds held by others.....	-	-	112	13	125
Other liabilities.....	-	(71,229)	389	(2,726)	(73,565)
Net cash provided by (used by) operating activities.....	\$ (1,259,443)	\$ (434,676)	\$ (187,006)	\$ (220,379)	\$ (2,101,504)

The notes to the financial statements are an integral part of this statement.